

SUMTER COUNTY BOARD OF COUNTY COMMISSIONERS
EXECUTIVE SUMMARY

SUBJECT: Set a public hearing to consider creating The Villages Public Safety Department Dependent District pursuant to Section 189.092, Florida Statutes on November 28, 2023, at 6:00 PM at the Everglades Regional Recreation Center, 5497 Marsh Bend Trail, Grand Canyon Room, The Villages, FL 32163 (Staff recommends approval)

REQUESTED ACTION: Set the public hearing

Meeting Type: Regular Meeting

DATE OF MEETING: 11/14/2023

CONTRACT: ☒ N/A

Vendor/Entity: _____

Effective Date: _____

Termination Date: _____

Managing Division / Dept: Administrative Services

BUDGET IMPACT: Varies

FUNDING SOURCE:

General Fund – MSBU – MSTU – Transport
Revenue – Other Fees

Type: Annual

EXPENDITURE ACCOUNT: _____

HISTORY/FACTS/ISSUES:

This proposed ordinance is the culmination of the Sumter County Board of County Commissioners (BOCC) direction and coordination, as well as cooperation, with the City of Wildwood via the amendment to the Interlocal Service Boundary Agreement and with the Village Center Community Development District (VCCDD). The proposed creation of The Villages Public Safety Department Dependent District (TVPSDDD) is timely for the following reasons:

1. The two fire & emergency medical service (EMS) departments in Sumter County are at comparable capabilities to service their respective service areas.
 2. TVPSDDD will provide to the next change in level of service that Sumter County Fire & EMS (SCFEMS) does not plan to pursue for its service area such as quick response vehicles.
 3. TVPSDDD can provide the opportunity for the costs of the change in level of service funded directly by the residents and businesses within its service area.
 4. The cooperation and understanding of the VCCDD Manager supports the continuation of the consolidated services funded by the General Fund that includes 911 call taking, fire & EMS dispatch, public safety radio, countywide community automated defibrillator device (AED) program, fleet maintenance, and joint fire training facility. Further, the benefit for both fire departments is a continuation of General Fund support for the Cost of Readiness of the first response EMS transport service countywide.
 5. The model of a dependent district simulating the benefits of the failed independent district referendum forestalls future attempts of pursuing an independent district that would be at the detriment to SCFEMS.
 6. As SCFEMS in the process, due to the contract for services between the BOCC and the VCCDD, to pursue the approval from the five cities for the creation of a municipal service taxing unit (MSTU) for capital expenditures, this initiative supports the MSTU for both operational and capital funding as now supported by the City of Wildwood.
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The attached memorandum by the City of Wildwood Attorney that is also supported by the County Attorney allows the MSTU millage rate to affect Sumter County's millage rate cap rather than the City. Sumter County's has a millage rate cap of 10.0. This cap was reduced to 9.75 when a portion of the millage rate was provided to the North Sumter County Utility Dependent District (NSCUDD) for 0.25. This proposed ordinance sets a cap for a millage rate of 0.75 for TVPSDDD. If adopted, Sumter County's millage rate cap would be 9.0. As the current millage rate is 5.19, there remains capacity for the BOCC's General Fund to continue to operate during a recession when property values decline.

The City of Wildwood will consider the final reading and hearing for the amendment to the Interlocal Service Boundary Agreement including the Fire SubAgreement. The BOCC provides consolidated services and this agreement was planned to expire 2029. Due to the proficiency in the delivery of these consolidated services, the amendment includes a 20-year extension from the original termination date of 2029. We appreciate the level of cooperation and partnership with the City of Wildwood. Through the City of Wildwood's amendment, the authority to create a dependent district in their jurisdiction and creation of an MSTU to the BOCC makes the consideration of TVPSDDD possible.

The fiscal analysis for the Cost of Readiness payments to each fire department is as follows:

A flat rate subsidy from the General Fund for first response EMS transport units is based upon standard unit utilization/availability and standby rates established in the BOCC's resolution associated with its Code of Ordinances Section 8-3(d).

- Sumter County EMS system is a *Public Utility Model*, in that the governmental entity provides the services directly through SCFEMS and TVPSDDD.
- EMS *Fee-for-Transport* does not account for total costs of operation, specifically the non-transport costs of operation or *Cost of Readiness*.
- *Cost of Readiness* in a *Public Utility Model* typically includes local government subsidy.
- Unit Hour Utilization (UHU) is a measure of productivity and efficiency. Agencies that operate in 24-hour shifts and focus on performance and preparedness levels, utilize UHU calculated as the amount of time that an ambulance is busy on call divided by hours in-service (staffed and fully equipped). The dividend (in percentage) is the unit-hour utilization; the reciprocal is unit-hour availability.
- Agencies that work a 24-hour shift and respond to 911 calls, typically target a 30% utilization rate to balance unit response, non-response duties, responder fatigue & safety, and unit availability for emergency calls.
- The annual *Cost of Readiness Rate* can be calculated by the number of hours per year divided by the optimal amount of ambulance availability. Then multiply the optimal availability by a fixed rate per hour. In Sumter County, this rate is adopted by ordinance as a standby rate (\$190/hour)
 - 8,760 hours per year (24 hrs/day X 365 days/year = 8760).
 - Optimum availability rate is 70%. $8760 \times 0.7 = 6132$
 - \$190 per hour X 6,132 = \$1,165,080 per ambulance.

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- Historical data used to calculate the amount of ambulances needed to provide 70% availability (By department for FY 23/24).

Agency	Count of Units	100% Transfer from General Fund
SCFEMS	6	\$6,990,480.00
TVPSDDD	12	\$13,980,960.00

The fiscal analysis for the BOCC's General Fund to fund each fire department for first response EMS transport for Baker Act, Marchman Act, and Ex Parte patients will use the following methodology according to Section 8-3(d) and the State Adopted Transportation Plan for Sumter County:

- Annual review of the 90th percentile transport distances from on-scene to LifeStream.
 - For FY 22/23 - 90th percentile Mileage per trip \$31.82
 - For FY 22/23 - 90th percentile Gross charge per trip \$821.82

These costs are currently included in the General Fund transfer so more data will be required to provide a better estimate for the revenue for each department; however, it is estimated now that the General Fund would provide \$250,000 per year total for the two fire departments.

Agency

SCFEMS	Billed to BOCC for FY 24/25
TVPSDDD	Billed to BOCC for FY 24/25

The fiscal analysis for the revenue generation from the current methodology of the municipal service benefit unit (MSBU) for fire rescue service of both department based on the flat rate and cap of \$125 for each service area is based on the number of eligible improved parcels as provided for by the Sumter County Property Appraiser for the 2023 certified values:

Agency	Parcel Count	95% Budget of Gross Revenue
SCFEMS	16,047	\$1,905,581.25
TVPSDDD	63,928	\$7,591,450.00

The fiscal analysis for the revenue generated from Transport Revenues:

Agency	95% Budget of Gross Revenue for FY 23/24
SCFEMS	\$2,293,469
TVPSDDD	Currently not in the BOCC budget; however, a conservative estimate is \$4,500,000

The fiscal analysis for the revenue generated from The Villages® age-restricted community "safety fee" is restricted to TVPSDDD and is not in the BOCC budget.

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The fiscal analysis for the revenue generated from a proposed MSTU for each service area based on the 2023 Certified Values of the Property Appraiser for each service area are as follows:

Agency	Assessed Value	95% Budget of Gross Revenue	
SCFEMS	\$2,496,401,062	\$7,114,743.03	Based on a millage rate of 3.0
TVPSDDD	\$19,444,389,794	\$4,618,042.58	Based on a millage rate of 0.25

As presented in the BOCC's adopted FY 23/24 budget for the annual fire inspection fees are estimated at \$152,000 as the 95% rate for each department.

Compared to the BOCC's adopted FY 23/24 budget for funding each fire department, the fiscal analysis shows the following using the proposed changes for funding with the creation of TVPSDDD:

Agency	FY 23/24	FY 23/24 New Model	
SCFEMS	\$17,655,476.00	\$18,456,273.28	
TVPSDDD	\$19,962,249.00	\$30,842,452.58	Does not include the "safety fee" revenues

Using the FY 23/24 New Model assumptions with the current General Fund millage rate of 5.19, the impact to a homeowner of the funding shifts for each service area is shown in the two examples below:

SCFEMS Area

\$200,000 Assessed Taxable Value Home with \$50,000 exemption example:

$\$150,000 / 1,000 \times 5.19 = \778.50 General Fund Ad Valorem cost

$\$150,000 / 1,000 \times 3.00 = \450.00 SCFEMS MSTU Ad Valorem cost (The increased value)

1 improved parcel $\times \$125 = \125.00 SCFEMS MSBU Non Ad Valorem cost

Total for County Ad Valorem and Non Ad Valorem Taxes = \$1,353.50

TVPSDDD area

\$200,000 Assessed Taxable Value Home with \$50,000 exemption example:

$\$150,000 / 1,000 \times 5.19 = \778.50 General Fund Ad Valorem cost

$\$150,000 / 1,000 \times 0.25 = \37.50 TVPSDDD MSTU Ad Valorem cost (The increased value)

1 improved parcel $\times \$125 = \125.00 TVPSDDD MSBU Non Ad Valorem cost

Total for County Ad Valorem and Non Ad Valorem Taxes = \$941.00

In summary, the creation of TVPSDDD moves the funding forward and focused for its service area and under the proposed funding scenarios as outlined above and within the proposed ordinance, SCFEMS

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can focus on its pace of service area growth and match it with its service growth without the continued concern of an adverse transition as was proposed by the independent fire district.

Prepared by: Bradley Arnold

Grammarly Check ☒